

# journal

May 2008

[www.bpa.gov/corporate/pubs/Journal](http://www.bpa.gov/corporate/pubs/Journal)

## Feds, tribes, states sign Accords to help fish

BPA and its fellow federal agencies signed historic agreements to help fish on May 2 with four Columbia Basin tribes. The agreements, known as the Columbia Basin Fish Accords, are being hailed as an end to 30 years of divisiveness.

"These Accords move the focus away from gavel-to-gavel management and toward gravel-to-gravel management," said BPA Administrator Steve Wright.

Under the agreements, federal agencies, primarily BPA, will provide approximately \$900 million over 10 years to continue existing programs and to implement new priority fish projects managed by the tribes. For their part, the tribes and states have committed to achieve specific biological objectives linked to meeting the federal agencies' statutory requirements.

Tribal participants included the Confederated Tribes of the Umatilla Indian Reservation, Warm Springs Reservation, Yakama Nation and Colville Indian Reservation, as well as the Columbia River Inter-Tribal Fish Commission. The federal agencies include BPA, the Corps of Engineers and Bureau of Reclamation. Idaho and Montana also have signed Accords.

To view the agreements, go to [www.salmonrecovery.gov](http://www.salmonrecovery.gov).



Tribal chairmen and leaders of the federal agencies signed this deer hide at the May 2 ceremony. From left: Col. Steven Miles, U.S. Army Corp of Engineers; Antone Minthorn, Umatilla Tribes; Mike Marchand, Colville Tribes; Ralph Sampson, Yakama Nation; Tim Personius, U.S. Bureau of Reclamation; Steve Wright, Bonneville Power Administration; Ron Suppah, Warm Springs Tribes; and Fidelia Andy, Columbia River Inter-Tribal Fish Commission.

## Treasury agreement improves flexibility

Recently, BPA signed an agreement with the U.S. Treasury to establish a more formal banking arrangement that is more consistent with Treasury's business practices with other federal agencies. The new arrangement better meets BPA's business needs by providing greater borrowing flexibility and more certain liquidity.

BPA uses its borrowing authority as a major source to finance capital projects, such as transmission infrastructure. Under this new arrangement, the borrowing process is greatly streamlined. Previously, borrowing requests had to be submitted 30 days in advance of funding. The new arrangement provides for capital funds in as little as three days.

Another significant benefit is BPA's ability to borrow for expenses, if necessary. BPA can now borrow up to \$300 million for Northwest Power Act-related operating expenses, with funds available on the same day the request is made. Previously, BPA had no arrangement with Treasury to receive advances for such costs.

The new agreement also aligns BPA with Treasury's current standards. BPA had been one of the few agencies that still earned credits rather than interest on its funds, a practice Treasury wanted to update.

For more information, go to [www.bpa.gov/corporate/Finance/Debt\\_Management/Treasury/](http://www.bpa.gov/corporate/Finance/Debt_Management/Treasury/).

## Spring, summer hydro ops under way

Annual hydro operations to help juvenile fish migrate safely downriver began in early April and will continue through Aug. 31. Actions after August will be consistent with NOAA Fisheries' 2008 Biological Opinion.

The operations, outlined in a Fish Operations Plan, call for spill and transport operations similar to last year at federal dams operated by the Corps of Engineers. The dams are Lower Granite, Little Goose, Lower Monumental and Ice Harbor on the lower Snake, and McNary, John Day, The Dalles and Bonneville on the lower Columbia.

The 2008 operations incorporate small changes to perform research and allow installation or adjustment to surface bypass structures. These include the installation



of spillway weirs at Lower Monumental and John Day dams and moving spillway weirs at McNary Dam to a different spill bay. These changes are expected to result in higher survival levels and to provide information for further passage improvements.

Spill will be monitored and managed to take into account variable hydro conditions. Changes to operations will be discussed through the Regional Forum process. The Corps will continue to provide data to the public regarding project flows, spill rates, total dissolved gas levels and water temperature.

For more information, go to [www.nwd-wc.usace.army.mil/tmt/documents/ops/](http://www.nwd-wc.usace.army.mil/tmt/documents/ops/).

## Western leaders urge collaboration

BPA Administrator Steve Wright was one of 15 utility leaders throughout the West who signed an “open letter” to governors, regulators, legislators and key policymakers in the Western states. The letter calls for a collaborative approach among electric utility leaders to address current challenges and policy decisions that will shape the future of energy in the West.

Briefly, the letter outlined the following challenges: concern over global warming and the environment, rising energy demand and costs, and the implications of new developments on reliability and costs of electrical service.

The letter notes that since the Western electric grid is fully interconnected, any changes in policy, resource additions and operations will affect the entire West. The electricity leaders hope to encourage a dialogue that will foster cooperation, sharing and innovative policy decisions.

## New vegetation standards implemented

BPA is following more stringent standards for managing vegetation near its power lines to comply with new national regulations. Crews will be removing more trees and high brush in BPA rights-of-way than they have typically removed in the past. The new standards require a safety zone of 25 feet between transmission lines and the trees and brush around them.

For more information, a new brochure titled “Keeping the way clear for safe, reliable service” is available on BPA’s Web site: [www.bpa.gov/corporate/pubs/Public\\_Service/Keeping\\_the\\_way\\_clear\\_brochure.pdf](http://www.bpa.gov/corporate/pubs/Public_Service/Keeping_the_way_clear_brochure.pdf).

# publicinvolvement

## updates and notices

## AGENCY – PROJECTS UNDER REVIEW

### Integrated Program Review – Regionwide

BPA committed last year to establish a process that ensures its customers and stakeholders have regular access to clear and transparent financial information as well as frequent opportunities for meaningful input into BPA cost and program decisions. In May, BPA will begin one portion of this new process – the Integrated Program Review – with a series of workshops at which utility general managers, technical and analytical staff, and the general public can provide input on future costs. BPA will consider the input received as it establishes program costs for the supplemental FY 2009 power rate case as well as for the Power and Transmission 2010-2011 rate cases, which will begin this fall. For more information, see BPA’s Web site: [www.bpa.gov/corporate/Finance/ibr/](http://www.bpa.gov/corporate/Finance/ibr/). (See calendar of events.)

### WI-09 Wind Integration Rate Case – Regionwide

BPA is proposing a new transmission rate to recover the costs of balancing the variable output of wind farms in its control area within each hour. The rate would be in effect for one year from October 2008 to September 2009, and would be charged to wind power producers in BPA’s control area. BPA and a significant number of rate case parties have signed a settlement agreement under which BPA is proposing a monthly rate of 68 cents per kilowatt of installed wind capacity. BPA accepted comments through April 15. BPA plans to issue a ROD this spring and submit the proposed rate to FERC for approval for the rate to become effective Oct. 1. For more information, see BPA’s Web site: [www.transmission.bpa.gov/Business/Rates\\_and\\_Tariff/2009WindIntegRateCase.cfm](http://www.transmission.bpa.gov/Business/Rates_and_Tariff/2009WindIntegRateCase.cfm).

## FISH AND WILDLIFE – PROJECTS UNDER REVIEW

### Chief Joseph Hatchery Program – Okanogan County, Wash.

The Northwest Power and Conservation Council recommended that BPA study a program sponsored by the Confederated Tribes of the Colville Reservation to assist in conservation and recovery of summer/fall chinook salmon in the Okanogan subbasin and the Columbia River below Chief Joseph Dam. This program would include a new hatchery near the base of Chief Joseph Dam and acclimation ponds throughout the Okanogan River subbasin. The use of the proposed facilities to reintroduce spring chinook salmon in the Okanogan subbasin is also being considered. The program would augment the ceremonial and subsistence harvest of salmon for the Colville Tribes. This program would be designed to have no effect on Chief Joseph Dam operations. Public meetings on the draft EIS were held and comments were accepted through June 18, 2007. A final EIS is planned for this month and a ROD is expected by July 2008. For more information, see BPA’s Web site: [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Chief\\_Joseph/](http://www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/).

### Lyle Falls Fish Passage Project – Klickitat County, Wash.

BPA issued the Lyle Falls Fish Passage draft EIS for public review on March 19. BPA prepared the analysis along with cooperating agencies: the Yakama Nation, Washington Department of Fish and Wildlife, and the U.S. Forest Service. The draft EIS addresses the proposed modification and upgrade to the existing fishway to improve fish access to upper reaches of the Klickitat River, meet state and federal fish passage standards and assist biologists in collecting valuable biological (fisheries) information. Comments on the draft EIS

will be accepted until May 12. A public meeting was held April 16. For more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Lyle\\_Falls/](http://www.efw.bpa.gov/environmental_services/Document_Library/Lyle_Falls/).

#### **Northeast Oregon Hatchery Program, Grande Ronde-Imnaha Spring Chinook Hatchery Project – Wallowa County, Ore.**

BPA has conducted value engineering, land acquisition and final design according to the initial ROD signed March 11, 2005. A ROD authorizing construction is planned for summer 2008. For more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Grand\\_Ronde/](http://www.efw.bpa.gov/environmental_services/Document_Library/Grand_Ronde/).

## **POWER – PROJECTS UNDER REVIEW**

### **2008 Resource Program – Regionwide**

BPA may need to acquire additional resources in coming years to serve its customers' future loads, particularly under new Power Sales Contracts beginning in 2012. BPA's 2008 Resource Program will examine the agency's projected load-resource balance and describe resource types available to fill any projected deficits. The program will analyze various resource acquisition strategies in the context of their impact on reliability, rates, environmental stewardship and regional accountability. BPA originally planned to release a draft of the Resource Program in December, but the schedule is being extended by several months to let customers, constituents and BPA employees focus their limited time this spring and summer on completing Regional Dialogue contracts and rates. A longer Resource Program schedule also will better synchronize with development of the Northwest Power and Conservation Council's Sixth Power Plan. Please look for the revised schedule to be posted by June at: [www.bpa.gov/corporate/finance/RP/](http://www.bpa.gov/corporate/finance/RP/).

### **Average System Cost Methodology Consultation Process – Regionwide**

BPA's 2008 Average System Cost Methodology (ASCM) consultation process will result in a revised ASCM to determine ASCs that will be incorporated into the revised power rates for FY 2009. BPA welcomes different approaches, new ideas and other types of feedback from interested parties. This proposal was developed with guidance from public workshops and is meant to provide a foundation for further ideas and approaches. BPA accepted comments through May 2. A draft ROD will be issued this month with a final ROD issued in June 2008 and then filed with FERC for approval. For more information, see BPA's Web site: [www.bpa.gov/corporate/Finance/ascm](http://www.bpa.gov/corporate/Finance/ascm).

### **FCRPS Draft Systemwide Cultural Resources Programmatic Agreement – Regionwide**

BPA, the Bureau of Reclamation and the U.S. Army Corps of Engineers seek your comments on a newly revised draft of the Federal Columbia River Power System Draft Systemwide Cultural Resources Programmatic Agreement. The draft PA covers the management of historic properties affected by the multi-purpose operations of 14 FCRPS hydro projects. It provides the systemwide principles and commitments for the Lead Federal Agencies' compliance with Section 106 of the National Historic Preservation Act. The timeline for submitting comments was extended from April 11 to May 11. Submit comments by mail or e-mail to Kimberly St. Hilaire, BPA, Attn. KEC-4, P.O. Box 3621, Portland, Ore. 97208, [krsthilaire@bpa.gov](mailto:krsthilaire@bpa.gov). For more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/culturalresources.aspx](http://www.efw.bpa.gov/environmental_services/culturalresources.aspx).

### **Tiered Rate Methodology – Regionwide**

BPA will submit an initial proposal for its Tiered Rate Methodology (TRM) for publication in the Federal Register on or about May 2. Comments on the initial proposal will be accepted through July 10. A prehearing conference is scheduled for May 9. At that time, the hearing officer will set the schedule

for the formal rate-setting process. BPA expects to conclude the process in late September 2008 when the final ROD will be issued. Under the July 2007 Long-Term Regional Dialogue Final Policy, BPA will offer 20-year Regional Dialogue Contracts to its public utility and federal agency customers that provide for tiered rates under the Priority Firm (PF) power rate schedule. The TRM establishes a rate design that creates a predictable and durable means by which to tier BPA's PF rate. Actual rate levels will be set in Northwest Power Act section 7(i) rate proceedings for two-year rate periods beginning in FY 2012, consistent with the TRM. For more information, see BPA's Web site: [www.bpa.gov/corporate/ratecase/2008/2008\\_TRM/](http://www.bpa.gov/corporate/ratecase/2008/2008_TRM/).

### **WP-07 Supplemental Wholesale Power Rate Case – Regionwide**

BPA is holding its 2009 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Supplemental Proceeding) to respond to recent rulings by the U.S. Court of Appeals for the Ninth Circuit regarding the 2000 Residential Exchange Program settlement agreements and the allocation of their costs to consumer-owned utilities. This proceeding will result in revised power rates for FY 2009 and the foundation for the future implementation of the REP under the NW Power Act. The supplemental proposal is the start of the formal legal process. There are many ways to respond to the Court's rulings, and BPA is proposing one technically and legally defensible approach. Still, BPA looks forward to the alternatives parties bring forward during this process. These alternatives, as well as other information made available through this process, will inform the BPA administrator when he makes final decisions in the summer of 2008. BPA accepted comments through May 2. For more information, see BPA's Web site: [www.bpa.gov/corporate/ratecase/](http://www.bpa.gov/corporate/ratecase/).

## **TRANSMISSION – PROJECTS UNDER REVIEW**

### **Albeni Falls-Sand Creek Transmission Line Project – Bonner County, Idaho**

BPA will replace poles on a section of the Albeni Falls-Sand Creek transmission line in northern Idaho and perform other upgrades to improve the reliability of the line. The project is on an existing right-of-way from the Albeni Falls Dam to one mile north of BPA's Sandpoint Substation. This project will replace approximately 340 wood poles along 25 miles of the transmission line and 17 miles of conductor will be replaced with larger conductor. BPA employees or contractors will be in the area through the summer performing various activities in support of the project, such as surveying for cultural resources and noxious weeds as well as reviewing the area for dangerous trees. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

### **Caribou-Lower Valley Project (includes Hooper Springs Substation) – Caribou County, Idaho**

BPA is proposing to build, own, operate and maintain the new 138/115-kV Hooper Springs Substation near a proposed PacifiCorp substation near Soda Springs, Idaho. BPA would connect to PacifiCorp's new substation (Three-Mile Knoll) to improve service to Lower Valley Energy. Lower Valley Energy would construct, own and operate a new 20-mile double-circuit 115-kV transmission line from BPA's new substation to a tap on the Lower Valley Energy transmission system between Lanes Creek and Valley substations. For more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Caribou/](http://www.efw.bpa.gov/environmental_services/Document_Library/Caribou/).

### **Cascade Wind Interconnection Project – Wasco County, Ore.**

BPA has been asked by UPC Oregon Wind, LLC to interconnect up to 50 MW of electricity generated from UPC's proposed Cascade Wind Project. UPC would independently build, own

and operate the wind project and its associated facilities. If UPC's project is approved by the Oregon Energy Facility Siting Council, BPA proposes to construct a new switchyard and tap beneath BPA's existing Hood River-The Dalles 115-kV transmission line. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Wind/default.cfm?page=cascade](http://www.transmission.bpa.gov/PlanProj/Wind/default.cfm?page=cascade).

#### **Libby (Flathead Electric Cooperative)-to-Troy Section of the Libby-to-Bonniers Ferry 115-kV Transmission Line Rebuild – Lincoln County, Mont.**

BPA is proposing to rebuild a 17-mile section of the Libby-to-Bonniers Ferry 115-kV transmission line provide stable and reliable transmission service. BPA expects to issue a final EIS this month. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

#### **Palisades-Goshen Transmission Line Reconstruction – Bonneville and Bingham Counties, Idaho**

BPA issued a preliminary EA on April 23 and will accept comments on the proposed project through May 9. The Palisades-Goshen 115-kV transmission line was built in 1949 and extends from Palisades Dam in eastern Idaho approximately 52 miles west to BPA's Goshen Substation south of Idaho Falls, Idaho. BPA proposes to rebuild this line due to its age and deteriorated condition to ensure safe and reliable transmission service. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

#### **Port Angeles-Juan de Fuca Transmission Project – Clallam County, Wash.**

BPA released an EIS Oct. 4, 2007. The EIS evaluates the request from Sea Breeze Olympic Converter LP to interconnect a 550 MW under-water transmission cable to the Federal Columbia River Transmission System. The cable would run from Vancouver Island, B.C., across the Strait of Juan de Fuca to Port Angeles, Wash. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

## **TRANSMISSION – PROJECTS UNDER CONSTRUCTION**

#### **Olympic Peninsula Transmission Line Reinforcement Project – Thurston and Mason Counties, Wash.**

BPA completed the EA and FONSI and made a decision to proceed with the project. Activities include removing most of its existing Olympia Shelton No. 1 115-kV transmission line (structures and conductor) from Olympia Substation to Shelton Substation and replace the last 14.5 miles of this line into Shelton Substation with a double-circuit 230-kV line on lattice steel towers. This will improve voltage stability during winter-peak load conditions on the Olympic Peninsula. BPA accepted comments on the preliminary EA through March 6, 2008. For more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Olympic/](http://www.efw.bpa.gov/environmental_services/Document_Library/Olympic/).

## **SUPPLEMENT ANALYSES**

**SA-359** – Kitsap-Bremerton No. 1, Kitsap County, Wash.

**SA-360** – Paul-Satsop No. 1, Grays Harbor, Lewis and Thurston Counties, Wash.

**SA-363** – Kitsap-Bangor No. 1, Kitsap County, Wash.

**SA-364** – Tacoma-Raver No. 1 and 2, Pierce and King Counties, Wash.

**SA-365** – McNary-Roundup, McNary Powerhouse, Lower Monumental-McNary, McNary-Badger Canyon No. 1 and Radar Tap, Umatilla, Benton and Franklin Counties, Wash.

**SA-366** – Paul-Allston et al., Cowlitz and Lewis Counties, Wash., and Columbia County, Ore.

**SA-367** – Satsop-Aberdeen Nos. 2 and 3, Grays Harbor County, Wash.

**SA-368** – Taft-Hot Springs #1, Mineral and Sanders County, Mont.

**SA-370** – St. Johns-St. Helens No. 1 and St. Helens-Alston No. 1, Multnomah and Columbia Counties, Ore.

## **CALENDAR OF EVENTS**

To view BPA's public involvement calendar, visit: [www.bpa.gov/corporate/public\\_affairs/Calendar/](http://www.bpa.gov/corporate/public_affairs/Calendar/).

**Tiered Rate Methodology prehearing conference:** – May 9, 9 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

**Integrated Program Review workshops** – BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.:

- Kick-off workshop, May 15, 9 a.m. to noon.
- FY 2009 power costs, May 15, 1 to 4 p.m.
- Corporate expenses, facilities/IT, capital and Columbia Grid, May 20, 2008, 9 a.m. to noon.
- Power Services internal operating costs, transmission acquisitions, Residential Exchange Program, May 20, 1 to 4 p.m.
- Fish and wildlife capital/expense (BiOp/MOA costs for FY 2009-2011), Columbia River Fish Mitigation Program, May 21, 9 a.m. to noon.
- Corps/Reclamation capital/expense, part 1 of 2, May 21, 1 to 4 p.m.
- Conservation and Energy Efficiency capital/expense, Renewable Resources Program, May 22, 9 a.m. to noon.
- Columbia Generating Station, May 22, 1 to 4 p.m.

## **CLOSE OF COMMENT**

**May 9, 2008** – Palisades-Goshen Transmission Line Reconstruction

**May 11, 2008** – FCRPS Draft Systemwide Cultural Resources Programmatic Agreement

**May 12, 2008** – Lyle Falls Fish Passage Project

**July 10, 2008** – Tiered Rate Methodology Initial Proposal

**The Journal is a monthly publication of the Bonneville Power Administration. If you have questions or comments, or you want to be added to the mailing list for any project, call toll free (800) 622-4519.**

To order copies of documents, call: (800) 622-4520 or (503) 230-7334. Written comments may be sent to: BPA, P.O. Box 14428, Portland, OR 97293-4428. E-mail address: [comment@BPA.gov](mailto:comment@BPA.gov). BPA home page: [www.bpa.gov](http://www.bpa.gov). For details on BPA environmental reviews listed above, including site maps and documents issued to date, see [www.efw.bpa.gov/environmental\\_services/nepadocs.aspx](http://www.efw.bpa.gov/environmental_services/nepadocs.aspx). Process Abbreviations: EA-Environmental Assessment, EIS-Environmental Impact Statement, ESA-Endangered Species Act, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision.

